

The implications of health insurance for the labour market and patient satisfaction with medical care in Vietnam

Citation for published version (APA):

Le, T. Q. N. (2019). *The implications of health insurance for the labour market and patient satisfaction with medical care in Vietnam*. [Doctoral Thesis, Maastricht University]. ProefschriftMaken Maastricht. <https://doi.org/10.26481/dis.20190925nl>

Document status and date:

Published: 01/01/2019

DOI:

[10.26481/dis.20190925nl](https://doi.org/10.26481/dis.20190925nl)

Document Version:

Publisher's PDF, also known as Version of record

Please check the document version of this publication:

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Valorisation Addendum

Economic and social relevance

This PhD dissertation focuses on the implications of health insurance for the labour market and how health insurance affects patient satisfaction with medical care in Vietnam. It is contextualised in the movement toward Universal Health Coverage (UHC) in Vietnam where health insurance coverage is rapidly expanding. In 2004, Social Health Insurance (SHI) in Vietnam only covered 20 percent of the population (Somanathan et al., 2013), it then exponentially increased to more than 86 percent in 2017 (Ngan, 2017). However, despite the rapid expansion of health insurance coverage, the SHI is inefficient and ineffective with lots of inefficiencies in its management (Somanathan et al., 2014) as well as in the healthcare system (Takashima et al., 2017). Therefore, the impressive expansion of health insurance coverage does not necessarily translate into quality medical care, raising the concern of healthcare quality and patient satisfaction. From the labour market perspective, the expansion of health insurance may have important implications for the Vietnamese labour market. Evidence from post-Soviet countries of reduced employment due to social health insurance (see Wagstaff and Moreno-Serra, 2009) as well as the theoretical prediction of reduced labour supply induced by social welfare (Gruber, 2010) raise concern about potential disincentive to work induced by social health insurance. This disincentive to work, if empirically evidenced, will potentially undermine the economic achievements that have been gained so far in Vietnam. This threat is very relevant given that the country maintains its strong ambition and commitment to economic growth and accelerating the catching-up with advanced economies (The World Bank and MPI, 2016). With the healthcare quality concern, combined with potential labour market distortions, the effects of health insurance on patient satisfaction and on the labour supply should be discussed seriously. This dissertation aims to provide more empirical evidence on the matters to inform policy making in Vietnam. Additionally, as the wave of global UHC is gaining more and more momentum in many other low and middle income countries (LMIC), this dissertation is relevant not only for Vietnam but also for these countries.

Target audience outside academia

This dissertation helps to inform policy making in Vietnam in particular and in other LMIC in general in the global wave of moving toward UHC (Lagomarsino et al., 2012).

In addition to filling the literature gaps for LMIC on effects of health insurance on labour supply (see Lê et al., 2019) and on patient satisfaction (see Chapter 1), this dissertation provides important policy implications for both the labour and health sectors. In this PhD project, findings about Vietnam have shown that health insurance indeed has a negative effect on labour supply both in terms of labour force participation and the number of hours worked (Chapter 3). Besides, boundaries among different health insurance schemes in Vietnam seem to create a barrier to self-employment entry. In particular, people covered by compulsory insurance (the formal workers) are less likely to enter self-employment compared to those having voluntary insurance (Chapter 4). These two findings are important and relevant for both labour and health ministries, suggesting that the coordination between the Ministry of Health and Ministry of Labour, Invalids and Social Affairs is needed in designing health insurance policies. Additionally, the finding that health insurance can make people more satisfied with medical care via its cost-sharing benefit (Chapter 5) contributes to the understanding of patient satisfaction. Future efforts by the Ministry of Health in raising patient satisfaction can use this evidence as a guideline for action. Equally, this PhD dissertation is and should be of interest to policy makers in other LMIC which are also taking the path of UHC.

Products of this PhD research and future plans

All empirical chapters of this dissertation have been published or submitted to academic journals. At the time of writing this addendum, Chapter 2 has been published in the *International Journal of Manpower*, Chapter 3 has been published in *Applied Economics* while the rest (Chapters 4-5) have been submitted to academic journals. Within one year after the defence, the author hopes to revise and publish Chapters 4-5. Additionally, given the policy relevance of this dissertation to LMIC, in the future, the author hopes to be involved in policy discussions of UHC to help provide some insights. Blog posts can also be used as a means of disseminating the knowledge gained from this project.